

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

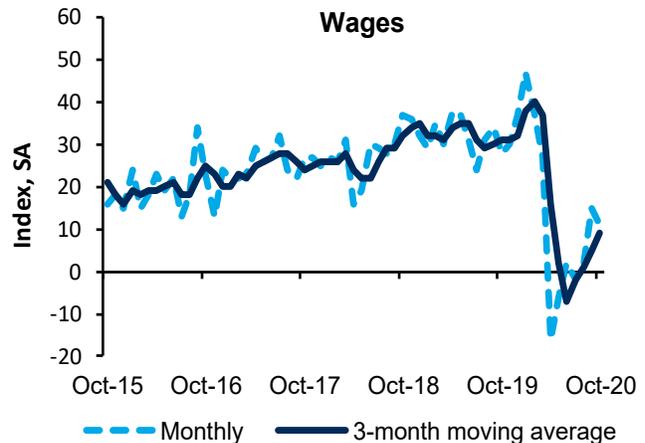
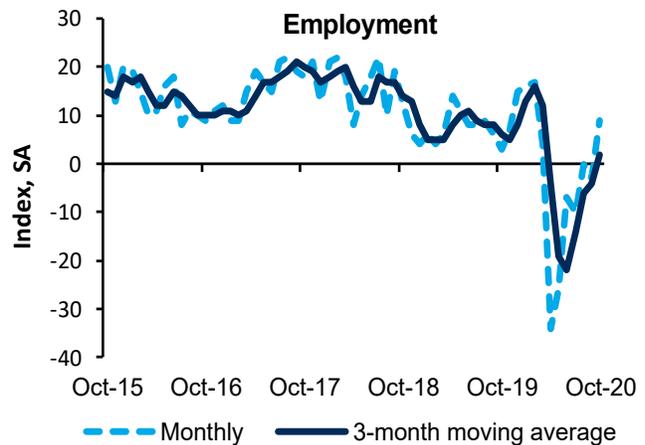
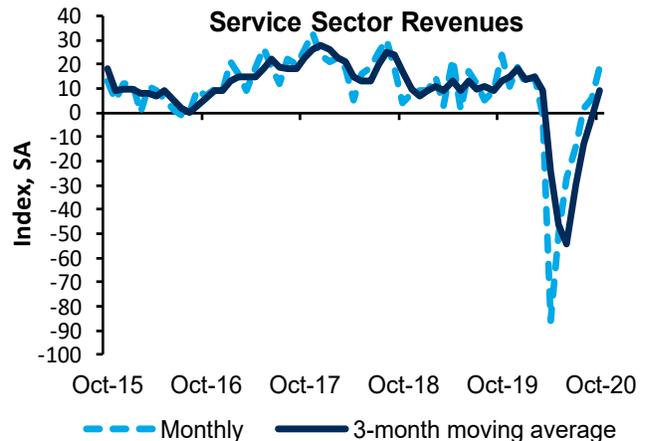
October 27, 2020

Service Sector Showed Signs of Improvement in October

The service sector in the Fifth District showed signs of improvement in October, according to the results of the most recent survey from the Richmond Fed. The index for revenues increased from 6 in September to 19 in October. Meanwhile, the index for demand fell slightly but remained positive, suggesting continued growth. Firms also reported strengthening local business conditions. Contacts were optimistic that growth would continue in the next six months.

Survey results suggested that some firms increased employment in October, as this index was positive for the first time since March. Respondents also reported some wage increases and, once again, started to report challenges finding workers with the necessary skills. Contacts expected this difficulty to persist in the coming months.

The average growth rates of both prices paid and prices received by survey respondents fell in October, as growth of prices paid continued to outpace that of prices received. Contacts expected price growth to slow further in the near future.



Regional Surveys of Business Activity

Fifth District Survey of Service Sector

October 27, 2020

Business Activity Indexes^{1,4}

Service Sector Indicators	Current Conditions			Expectations ²		
	Oct-20	Sep-20	Aug-20	Oct-20	Sep-20	Aug-20
Revenues	19	6	2	19	21	3
Demand	8	11	-1	12	21	7
Local Business Conditions	12	7	-3	18	19	7
Capital Expenditures	4	1	-13	15	11	-6
Equipment & Software Spending	9	16	-2	25	24	10
Services Expenditures	-2	-7	-14	-4	9	-18
Employment						
Number of Employees	9	-3	0	18	9	4
Wages	11	15	2	35	24	16
Availability of Skills Needed	-4	1	5	-3	3	15
Average Workweek	9	8	-2	16	9	-2
Price Trends^{2,3}						
Prices Paid	4.82	5.50	5.08	3.55	3.98	2.83
Prices Received	1.91	3.55	2.39	1.68	2.50	1.59

Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are seasonally adjusted. Results are based on responses from 114 firms.
- Expectations refer to the time period six months out from the survey period.
- Price changes are expressed as percent change, annualized.
- All firms surveyed are located within the Fifth Federal Reserve District, which includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia.

For more information contact Roisin McCord at 804.697.8702 or Rich.RegionalSurveyTeam@rich.frb.org